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House File 2458 - Introduced

HOUSE FILE 2458
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2389)
(SUCCESSOR TO HSB 595)

A BILL FOR

1 An Act establishing a rural Iowa primary care loan repayment
2 program and trust fund to be administered by the college
3 student aid commission.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 261.115 Rural Iowa primary care
2 loan repayment program — fund — appropriations.

3 1. *Program established.* A rural Iowa primary care loan
4 repayment program is established to be administered by the
5 college student aid commission for purposes of providing loan
6 repayments for medical students who agree to practice as
7 physicians in service commitment areas for five years and meet
8 the requirements of this section.

9 2. *Eligibility.* An individual is eligible to apply to enter
10 into a program agreement with the commission if the individual
11 is enrolled full-time in and receives a recommendation
12 from the state university of Iowa college of medicine or
13 Des Moines university — osteopathic medical center in a
14 curriculum leading to a doctor of medicine degree or a doctor
15 of osteopathy degree.

16 3. *Program agreements.* A program agreement shall be
17 entered into by an eligible student and the commission when
18 the eligible student begins the curriculum leading to a doctor
19 of medicine or osteopathy degree. Under the agreement, to
20 receive loan repayments pursuant to subsection 5, an eligible
21 student shall agree to and shall fulfill all of the following
22 requirements:

23 a. Receive a doctor of medicine or osteopathy degree from
24 an eligible university and apply for, enter, and complete a
25 residency program approved by the commission.

26 b. Apply for and obtain a license to practice medicine and
27 surgery or osteopathic medicine and surgery in this state.

28 c. Complete their residency program requirement with an
29 Iowa-based residency program.

30 d. Within nine months of graduating from their residency
31 program and receiving a permanent license in accordance with
32 paragraph "b", engage in the full-time practice of medicine
33 and surgery or osteopathic medicine and surgery specializing
34 in family medicine, pediatrics, psychiatry, internal medicine,
35 or general surgery for a period of sixty consecutive months

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1 in the service commitment area specified under subsection 6,
2 unless the loan repayment recipient receives a waiver from the
3 commission to complete the months of practice required under
4 the agreement in another service commitment area pursuant to
5 subsection 6.

6 4. *Priority to Iowa residents.* The commission shall give
7 priority to eligible students who are residents of Iowa upon
8 enrolling in the university.

9 5. *Loan repayment amounts.*

10 a. The amount of loan repayment an eligible student who
11 enters into an agreement pursuant to subsection 3 shall receive
12 upon fulfilling the requirements of subsection 3 shall be not
13 more than fifty thousand dollars annually for an eligible loan.
14 Payments under this section are limited to a four-year period
15 and shall not exceed a total of two hundred thousand dollars.

16 b. The commission shall not enter into more than twenty
17 program agreements annually. Fifty percent of the agreements
18 shall be entered into by students attending each university
19 described in subsection 2. However, if there are fewer than
20 ten eligible student applicants at one university, eligible
21 student applicants enrolled in the other university may be
22 awarded the remaining agreements.

23 6. *Selection of service commitment area.* A loan repayment
24 recipient shall notify the commission of the recipient's
25 service commitment area prior to beginning practice in the area
26 in accordance with subsection 3, paragraph "d". The commission
27 may waive the requirement that the loan repayment recipient
28 practice in the same service commitment area for all sixty
29 months.

30 7. *Rules for additional loan repayment.* The commission
31 shall adopt rules to provide, in addition to loan repayment
32 provided to eligible students pursuant to this section and
33 subject to the availability of surplus funds, loan repayment
34 to a physician who received a doctor of medicine or osteopathy
35 degree from an eligible university as provided in subsection



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1 2, obtained a license to practice medicine and surgery or
2 osteopathic medicine and surgery in this state, completed the
3 physician's residency program requirement with an Iowa-based
4 residency program, and is engaged in the full-time practice of
5 medicine and surgery or osteopathic medicine and surgery as
6 specified in subsection 3, paragraph "d".

7 8. *Part-time practice — agreement amended.* A person who
8 entered an agreement pursuant to subsection 3 may apply to the
9 commission to amend the agreement to allow the person to engage
10 in less than the full-time practice specified in the agreement
11 and under subsection 3, paragraph "d". If the commission
12 determines exceptional circumstances exist, the commission and
13 the person may consent to amend the agreement under which the
14 person shall engage in less than full-time practice of medicine
15 and surgery or osteopathic medicine and surgery specializing in
16 family medicine, pediatrics, psychiatry, internal medicine, or
17 general surgery in a service commitment area for an extended
18 period of part-time practice determined by the commission to
19 be proportional to the amount of full-time practice remaining
20 under the original agreement.

21 9. *Postponement and satisfaction of service obligation.*

22 a. The obligation to engage in practice in accordance with
23 subsection 3 shall be postponed for the following purposes:

24 (1) Active duty status in the armed forces, the armed forces
25 military reserve, or the national guard.

26 (2) Service in volunteers in service to America.

27 (3) Service in the federal peace corps.

28 (4) A period of service commitment to the United States
29 public health service commissioned corps.

30 (5) A period of religious missionary work conducted by an
31 organization exempt from federal income taxation pursuant to
32 section 501(c)(3) of the Internal Revenue Code.

33 (6) Any period of temporary medical incapacity during which
34 the person obligated is unable, due to a medical condition, to
35 engage in full-time practice as required under subsection 3,



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1 paragraph "d".

2 **b.** Except for a postponement under paragraph "a",
3 subparagraph (6), an obligation to engage in practice under an
4 agreement pursuant to subsection 3, shall not be postponed for
5 more than two years from the time the full-time practice was to
6 have commenced under the agreement.

7 **c.** An obligation to engage in full-time practice under
8 an agreement entered into pursuant to subsection 3 shall be
9 considered satisfied when any of the following conditions are
10 met:

11 (1) The terms of the agreement are completed.

12 (2) The person who entered into the agreement dies.

13 (3) The person who entered into the agreement, due to
14 a permanent disability, is unable to practice medicine and
15 surgery or osteopathic medicine and surgery.

16 10. *Trust fund established.* A rural Iowa primary care
17 trust fund is created in the state treasury as a separate fund
18 under the control of the commission. The commission shall
19 remit all repayments made pursuant to this section to the rural
20 Iowa primary care trust fund. All moneys deposited or paid
21 into the trust fund are appropriated and made available to the
22 commission to be used for meeting the requirements of this
23 section. Moneys in the fund up to the total amount that an
24 eligible student may receive for an eligible loan in accordance
25 with this section and upon fulfilling the requirements of
26 subsection 3, shall be considered encumbered for the duration
27 of the agreement entered into pursuant to subsection 3.
28 Notwithstanding section 8.33, any balance in the fund on June
29 30 of each fiscal year shall not revert to the general fund of
30 the state, but shall be available for purposes of this section
31 in subsequent fiscal years.

32 11. *Definitions.* For purposes of this section:

33 **a.** "Eligible loan" means the physician's total federally
34 guaranteed Stafford loan amount under the federal family
35 education loan program or the federal direct loan program,

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1 including principal and interest.

2 *b. "Eligible university"* means either the state university
3 of Iowa college of medicine or Des Moines university —
4 osteopathic medical center.

5 c. "Service commitment area" means a city in Iowa with a
6 population of less than twenty-six thousand that is located
7 more than twenty miles from a city with a population of fifty
8 thousand or more and which provides a twenty thousand dollar
9 contribution for deposit in the rural Iowa primary care trust
10 fund for each physician in the community who is participating
11 in the loan repayment program.

12 EXPLANATION

13 This bill establishes a rural Iowa primary care loan
14 repayment program to be administered by the college student
15 aid commission for purposes of providing loan repayment
16 to medical students who agree to practice as physicians in
17 service commitment areas for five years. A rural Iowa primary
18 care trust fund is also established under the control of the
19 commission.

20 An individual is eligible to apply to the commission to
21 enter into a program agreement with the commission if the
22 individual is enrolled in the university of Iowa college of
23 medicine or Des Moines university — osteopathic medical center
24 in a curriculum leading to a doctor of medicine or osteopathy
25 degree.

26 Under the agreement, the eligible student will receive
27 annually up to \$50,000 of loan repayment for an eligible
28 loan if the eligible student receives a doctor of medicine
29 or osteopathy degree; applies for, enters, and completes a
30 residency program approved by the commission; applies for
31 and obtains a license to practice medicine and surgery or
32 osteopathic medicine and surgery in this state; and, within
33 nine months of receiving a license, engages in the full-time
34 practice of medicine and surgery, specializing in family
35 medicine, pediatrics, psychiatry, internal medicine, or general

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1 surgery for 60 consecutive months in the service commitment
2 area, unless the loan repayment recipient receives a waiver
3 from the commission to complete the months of practice required
4 under the agreement in another service commitment area.
5 Payments are limited to a four-year period and shall not exceed
6 \$200,000.

7 A service commitment area is defined to mean a city in Iowa
8 with a population of less than 26,000 that is located more than
9 20 miles from a city with a population of 50,000 or more and
10 which provides a \$20,000 contribution for deposit in the fund
11 for each physician in the community who is participating in the
12 program.

13 The bill defines "eligible loan" to mean a federally
14 guaranteed Stafford loan.

15 The commission shall give priority to eligible students who
16 are residents of Iowa upon enrolling in the university.

17 Not more than 20 program agreements may be entered into
18 annually. Fifty percent of the agreements shall be entered
19 into with students attending each university, though if
20 there are fewer than 10 eligible student applicants at one
21 university, eligible student applicants enrolled in the other
22 university may be awarded the remaining agreements. Moneys
23 in the trust fund up to the total amount that a student may
24 receive after fulfilling the requirements of the agreement
25 shall be considered encumbered for the duration of the
26 agreement.

27 A person may apply to the commission to amend the agreement
28 to allow the person to engage in less than full-time practice.
29 If the commission determines exceptional circumstances
30 exist, the commission and the person may consent to amend
31 the agreement to provide for an extended period of part-time
32 practice determined by the commission to be proportional to
33 the amount of full-time practice remaining under the original
34 agreement.

35 The obligation shall be considered satisfied when the terms



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1 of the agreement are completed, the person dies, or the person,
2 due to a permanent disability, is unable to practice medicine
3 and surgery.

4 The bill directs the commission to adopt rules to provide,
5 subject to the availability of surplus funds, loan repayment
6 to a physician who did not enter into an agreement as a medical
7 student but who meets the other relevant requirements of the
8 program.



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House File 2459 - Introduced

HOUSE FILE 2459
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2381)
(SUCCESSOR TO HSB 618)

A BILL FOR

1 An Act relating to the assessment of moneys on sheep and wool
2 production, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 182.1, subsection 5, Code 2011, is
2 amended by striking the subsection.
3 Sec. 2. Section 182.1, Code 2011, is amended by adding the
4 following new subsection:
5 NEW SUBSECTION. 8A. "*Secretary*" means the secretary of
6 agriculture.
7 Sec. 3. NEW SECTION. 182.13B **Assessment rate.**
8 1. If a majority of voters at a referendum conducted
9 pursuant to section 182.4 approve the establishment of an
10 Iowa sheep and wool promotion board and the imposition of an
11 assessment, the assessment shall be imposed on wool and sheep
12 at the following rates:
13 a. For wool, two cents imposed on each pound of wool sold
14 by a producer.
15 b. For sheep, ten cents imposed on each head of sheep sold
16 by a producer.
17 2. a. Notwithstanding subsection 1, upon a resolution
18 adopted by the board, the secretary shall call a special
19 referendum for voters to authorize increasing the assessment
20 rate imposed on sheep as provided in this section.
21 b. The special referendum shall be conducted in the same
22 manner as a referendum conducted upon receipt of a petition
23 as provided in this chapter, unless otherwise provided in the
24 board's resolution. Only producers are eligible to vote in an
25 election and each producer is entitled to one vote.
26 3. a. The special referendum conducted pursuant to
27 subsection 2 shall allow a voter to cast a ballot for the
28 following two questions:
29 (1) For the first question, whether to authorize an increase
30 in the assessment rate to twenty-five cents imposed on each
31 head of sheep.
32 (2) For the second question, if the first question is
33 approved by a majority of voters, whether to also authorize the
34 board to increase that assessment rate by future resolution as
35 provided in this section.

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1 4. If a majority of voters approve the first question,
2 twenty-five cents shall be imposed on each head of sheep sold
3 by a producer as effectuated by the board pursuant to section
4 182.12.

5 5. If a majority of voters approve both the first and second
6 questions, all of the following apply:

7 a. Twenty-five cents shall be imposed on each head of sheep
8 sold by a producer as effectuated by the board pursuant to
9 section 182.12.

10 b. The board may adopt one or more resolutions to further
11 impose an increased assessment rate. The increased assessment
12 rate shall be imposed on each head of sheep sold by a producer
13 as effectuated by the board pursuant to section 182.12. The
14 board shall comply with all of the following:

15 (1) The board must wait three or more years from the
16 effective date of the previous action imposing an increase
17 in order to adopt a resolution. For the first increase, the
18 effective date is the date of the special referendum. For any
19 subsequent increase, the effective date is the date that the
20 board last adopted a resolution imposing an increased rate as
21 provided in this paragraph "b".

22 (2) The board shall not adopt a resolution until it provides
23 notice to producers of the proposed increase and an opportunity
24 for producers to submit written or oral comments to the board
25 regarding the proposed increase. The board may provide notice
26 by publication in the same manner as provided in section
27 182.3, publication on its internet site, mail bearing a United
28 States postal service postmark, electronic transmission, or
29 hand-delivery.

30 (3) The increase in the assessment rate imposed by a
31 resolution adopted by the board must equal five cents.
32 However, the assessment rate imposed by a resolution of the
33 board shall not equal more than fifty cents.

34 6. a. If a majority of voters do not authorize increasing
35 the assessment rate pursuant to a special referendum conducted

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1 pursuant to this section, the assessment rate shall be the same
2 as provided in subsection 1.

3 **b.** Not more than one special referendum shall be conducted
4 pursuant to this section.

5 Sec. 4. Section 182.14, subsection 1, Code 2011, is amended
6 by striking the subsection.

7 Sec. 5. Section 182.14, subsection 2, unnumbered paragraph
8 1, Code 2011, is amended to read as follows:

9 The An assessment provided in this chapter shall be imposed
10 on the producer as follows:

11 Sec. 6. EFFECT OF ACT. The establishment of the Iowa
12 sheep and wool promotion board and the assessment on the sale
13 of sheep or wool, as established in a referendum conducted
14 pursuant to section 182.4, and in effect immediately prior
15 to the effective date of this Act, is not affected by the
16 enactment of section 182.13B, subsection 1, or the repeal of
17 section 182.14, subsection 1, as provided in this Act.

18 Sec. 7. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
19 immediate importance, takes effect upon enactment.

20 EXPLANATION

21 Current law provides for an assessment (a so-called
22 checkoff) on the sale of sheep and wool to first purchasers.
23 The assessment is ultimately expended by the Iowa sheep and
24 wool promotion board for purposes of promoting the marketing
25 of sheep and wool and to provide for related education and
26 research programs. The board operates and the checkoff is
27 imposed pursuant to a referendum approved by sheep and wool
28 producers.

29 This bill authorizes the board to conduct a special
30 referendum which poses two questions: (1) whether to increase
31 the checkoff rate for each head of sheep from 10 cents to 25
32 cents, and (2) if producers approve such increase, whether
33 to authorize the board to increase the rate in the future
34 by board resolution. The bill requires that the special
35 referendum be conducted in the same manner as the referendum

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1 establishing the board and first imposing the assessment rate,
2 unless the board's resolution provides otherwise. However,
3 the resolution cannot alter two provisions; only producers are
4 eligible to vote in an election and each producer is entitled
5 to one vote. The bill places a number of conditions upon
6 the board's resolution to further increase the rate. First,
7 it must wait three or more years from the effective date of
8 the previous action imposing an increase in order to adopt
9 such a resolution. Second, it must provide notice to and an
10 opportunity for comment by producers. Third, the increased
11 rate must equal 5 cents. The board cannot increase the rate
12 to more than 50 cents per head of sheep. Finally, the board
13 cannot conduct more than one special referendum.
14 The bill provides that the result of moving and rewriting
15 a provision that imposes the current assessment rate does
16 not affect the prior establishment of the board or the prior
17 imposition of that rate as established by referendum.
18 The bill takes effect upon enactment.